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## NEWS RELEASE

October 16, 2006

### **Securities Agent Suspended for Two Years for Improper Web Site Solicitations** ***Agent solicited business on web site without approval of firm; could be misleading. . .***

**SALT LAKE CITY, Utah** – Marvin Smith, of Sandy, agreed to have his securities license suspended for two years for improper conduct in setting up a web site that could have misled the public and for not getting approval of his broker-dealer for the web site advertising.

Smith is a securities agent for Walnut Street Securities. Most of Smith's business is selling structured settlements<sup>1</sup> through his company Summit Settlement Services. In furtherance of Smith's structured settlements business, he created a web site advertising his services. On May 8, 2006, the Division filed a Petition to suspend Smith's license and impose a fine for the content of the web site. Today's Stipulation and Consent Order resolves the proceeding begun in May.

According to the Order, Smith's web site portrayed him as a licensed broker, rather than as an agent for a broker-dealer, did not identify the broker-dealer who employed him, and portrayed his services as a broker-dealer agent as usually being provided at no cost when, in fact, customers would be paying commissions to Smith when buying annuities. The contact information he listed on the web site did not identify the brokerage firm through which he was licensed. In addition, Smith failed to notify his employing broker-dealer of the creation of his web site and violated company compliance requirements for the use of web sites.

The Division alleged that Smith violated the law by making misrepresentations and omissions of material fact on his web site about how he was paid. The Order also finds that he engaged in dishonest and unethical practices by failing to obtain approval from Walnut Street Securities for his web site and for not complying with NASD rules regarding the web site.

Smith consented to the Order without admitting or denying the violations. He did consent to having his securities license suspended for two years. The Order was reviewed and approved by the Securities Advisory Board.

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<sup>1</sup> A structured settlement is an agreement to pay a designated person a specified sum of money in periodic payments, usually for the person's lifetime, instead of a single lump sum payment. Structured settlements typically are used to pay court-ordered or privately-agreed upon damages to injured claimants or their survivors. Structured settlements commonly are funded with annuities.